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MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
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SACRAMENTO, CALIFORNIA

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APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chairperson

Ms. Rosalie Mul

Mr. Gary Petersen

BOARD MEMBERS

Mr. Jeffrey Danzinger

Ms. Cheryl Peace

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Mr. Elliott Block, Chief Counsel

Mr. Jim Lee, Deputy Director

Ms. Kristen Garner, Executive Assistant

Ms. Bonnie Cornwall, Supervisor, Grants & Certification
Section I

Mr. Nate Gauff

Mr. Todd Thalhammer

Mr. Bob Fujii

ALSO PRESENT

Mr. John Cupps, San Luis Obispo Integrated Waste
Management Authority

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1 PROCEEDINGS

2 CHAIRPERSON BROWN: Good afternoon. Thank you all
3 for your patience. And welcome to the afternoon delayed
4 session of the Special Waste Committee.

5 For anyone who's interested, there are agendas on
6 the back table. If you would like to speak on any of the
7 items that are on our agenda, there are speaker slips in
8 the back of the room. Please fill them out and bring them
9 to Kristen for an opportunity to address the Committee.
10 And I would like to remind people to please turn your cell
11 phones and pagers into the vibrate mode.

12 Kristen, could you please call the roll?

13 EXECUTIVE ASSISTANT GARNER: Mulé?

14 COMMITTEE MEMBER MULÉ: Here.

15 EXECUTIVE ASSISTANT GARNER: Petersen?

16 COMMITTEE MEMBER PETERSEN: Here.

17 EXECUTIVE ASSISTANT GARNER: Brown?

18 CHAIRPERSON BROWN: Here.

19 And I would like to also acknowledge Board Member
20 Peace. Thank you for joining us.

21 Ex partes. I would like to, on behalf of the
22 Special Waste Committee, report an ex parte that has come
23 to each of the members of the Special Waste Committee from
24 Californians Against Waste. It's a letter from Mark
25 Murray and it was addressed to me and to Member Mulé and

1 Member Petersen.

2 We also received correspondence from CRM, from
3 Barry Takalou as well, and that was addressed to me and to
4 each of the members of the Special Waste Committee. So
5 those are two ex partes to report.

6 Are there any others?

7 COMMITTEE MEMBER PETERSEN: Madam Chair, I spoke
8 with Evan Edgar.

9 CHAIRPERSON BROWN: Thank you.

10 COMMITTEE MEMBER MULÉ: I'm up to date. Thank
11 you.

12 CHAIRPERSON BROWN: Thank you. And I'm up to
13 date.

14 I believe we have an executive director statement.
15 And Mr. Lee, then we'll go to your Deputy Director's
16 Report.

17 EXECUTIVE DIRECTOR LEARY: Madam Chair, if I could
18 please, at the pleasure of the Committee, I would like
19 to -- I will withdraw Agenda Items 6 and 7 pursuant to a
20 request made to stakeholders about their readiness. In
21 honor of our public process and in deference to the value
22 we place on our stakeholders' perspective, I would like to
23 withdraw agenda Items 6 and 7 and conduct the analysis
24 suggested and report back to the Board when the time is
25 appropriate.

1 CHAIRPERSON BROWN: Thank you. I believe it is
2 the wishes of the Committee to concur with your request.
3 And so Agenda Items 6 and 7 will be pulled from our agenda
4 at this time.

5 Mr. Lee?

6 DEPUTY DIRECTOR LEE: Thank you, Madam Chair. And
7 good afternoon Board Members. My name is Jim Lee, deputy
8 Director of the Special Waste Division.

9 Madam Chair, I don't have any items in my Deputy
10 Director Report for you this afternoon, so I'm prepared to
11 move directly into this afternoon's agenda.

12 CHAIRPERSON BROWN: Okay. Thank you.

13 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

14 Committee Item B, Board Item 5 is Consideration of
15 the Scoring Criteria and Evaluation Process for a joint
16 Solicitation of the Used Oil Nonprofit Grant Program, on
17 the 7th Cycle, and the Used Oil Research, Testing, and
18 Demonstration Grant Program, 5th Cycle.

19 A percentage of available used oil funds is
20 statutorily prescribed to utilize for competitive grants
21 for used oil collection recycling, and to supplement the
22 core funds made available to local jurisdictions for block
23 grant programs. These competitive grants are an integral
24 component of our overall used oil program strategy.

25 You will note that many of the grant criteria

1 proposed today address core themes of identifying and
2 targeting DIYers, among others, which you will recognize
3 as similar to those from previous cycles of these grant
4 programs.

5 Staff recognizes that some of the criteria themes
6 we are exploring may appear redundant. However, we feel
7 they have value in helping us to sustain and improve upon
8 our overall high used oil recycling rate.

9 The criteria as proposed provide the opportunity
10 for participation by broad and diverse segments of private
11 sector and local jurisdiction stakeholders and interested
12 parties and sister agencies, such as DTSC.

13 And we do propose, as a special focus this year,
14 an emphasis on oil filter collection, where our recycling
15 rates are significantly less than our overall used oil
16 collection rate.

17 With that overview, I will now ask Glenn Gallagher
18 and Bonnie Cornwall to make the remainder of the staff
19 presentation.

20 MR. GALLAGHER: Good afternoon, Board Chair and
21 Committee Members.

22 (Thereupon an overhead presentation was
23 presented as follows.)

24 MR. GALLAGHER: My name is Glenn Gallagher. I'm a
25 grant manager with the Used Oil and Household Hazardous

1 Waste Branch.

2 I will be presenting the agenda item for the
3 criteria, as Mr. Lee described, for the nonprofit 7th
4 cycle and the testing and demonstration grant program 5th
5 cycle, fiscal year 2006/2007.

6 In order to better understand how the competitive
7 grants fit into the larger used oil program --

8 --o0o--

9 MR. GALLAGHER: -- and how the funding level is
10 determined, this slide shows the used oil statutory
11 categories and funding activities of the used oil fund.

12 More detail on this will be provided when we
13 present the used oil allocation item in January.
14 There are three competitive grants: nonprofit; research,
15 testing, and development, which I will talk about today;
16 and the opportunity grant; each with a different set of
17 eligible applicants and a funding level. Each has a
18 prescribed funding as a percentage of remaining funds of
19 the oil, of overall funding. And that's spelled out in
20 Public Resource Code 48656 with competitive grants
21 receiving 60 percent of leftover funds by the time it gets
22 to the category of funding for competitive grants.

23 In order to balance out the three grant cycles and
24 maximize the available funding, in September 2002, the
25 Board adopted a biennial cycle for the allocation of

1 competitive grants.

2 DEPUTY DIRECTOR LEE: We're having a little
3 trouble with our presentation. Let's see if we can get
4 the Powerpoint. Is Bob Davila here?

5 MR. GALLAGHER: The opportunity grants are offered
6 in fiscal years ending in even numbers, such as fiscal
7 year 2005/2006. And the remaining two grants --
8 non-profit and R&D -- are offered in fiscal years ending
9 in odd numbers, such as 06/07. Since statute prescribes
10 the same level of funding for R&D and nonprofit grants,
11 the total available this year is divided evenly between
12 the two grants.

13 Total funding this year, of just \$2.44 million, a
14 little bit over that, is available, which means each grant
15 cycle had 1.22 million. The maximum award will be
16 \$200,000 for a non-regional grant and 250,000 for a
17 regional program.

18 --o0o--

19 MR. GALLAGHER: Before determining project
20 categories or criteria that we would like to see funded
21 for this cycle, staff identified areas of needs and gaps
22 within the program. The key area of concern is the oil
23 remaining in discarded filters. There's, on average, at
24 least 10 ounces of discarded oil that remains in the
25 filter, and this adds up to millions of gallons per year.

1 And when you see that, we're only properly collecting
2 about 7 percent of the DIY oil filters. This is a huge
3 part of that oil that is improperly disposed. And we feel
4 if we can start collecting quite a few of the filters,
5 we're well on our way to collecting at least half of that
6 improperly disposed -- or unaccounted-for oil.

7 So that was filters. That big orange chunk was
8 the bad chunk. That's not -- improperly disposed or not
9 accounted for.

10 --o0o--

11 MR. GALLAGHER: In this slide, you see the orange
12 chunk has gotten a lot smaller. That's the 20 percent or
13 so not accounted for, improperly disposed used oil. So
14 we're doing a lot better there on oil, for a lot of
15 different reasons.

16 So what should our focus be to improve our overall
17 high collection oil rate other than oil filters, or in
18 addition to? Needless to say, the remaining 20 percent of
19 not accounted for or DIYer used oil will be the most
20 difficult portion to collect.

21 --o0o--

22 MR. GALLAGHER: First we have to continue doing
23 what has been working for us, so far, to maintain
24 collection levels that are really pretty good. And then
25 we need to recognize that one reason we haven't been able

1 to increase oil collection above this 80 percent threshold
2 is that every year in California, there's 800,000 new
3 people, either from other states or other countries,
4 moving in, and they are new to the rules of used oil
5 recycling. And there's also 500,000 new drivers every
6 year, where there is a new behavior for them to learn. So
7 there's -- there's more than one million potential DIYers
8 -- at least 1 million new people that we have to continue
9 to reach and educate. And that's an ongoing commitment.

10 And as I've already pointed out, increasing the
11 filter collection would probably cut the improperly
12 disposed oil in half.

13 Statute describes the types of projects that can
14 be funded through the competitive grants. Based on our
15 analysis and research findings, we've refined the
16 traditional types of projects and the four main project
17 categories for each grant. And these project categories
18 will be given some funding preference.

19 However, any good project that meets the basic
20 intent of the program and this grant cycle is eligible for
21 funding and will be very competitive for award, whether or
22 not it meets one of the predefined project categories. We
23 believe this allows enough room to consider innovative
24 ideas for funding.

25 The remainder of my presentation, I will split

1 between the nonprofit and the RMD grants.

2 I will start with the nonprofits. The purpose of
3 this grant is to fund nonprofit agencies to enhance or
4 complement existing local government collection programs
5 that reduce improper oil disposal. Projects must be tied
6 closely to ongoing block grant programs. Key scoring
7 factors will be the level of commitment to continuing the
8 activities with block grant funds during the nonprofit
9 grant as well as leveraging block grant resources
10 afterwards; in other words, to keep the projects going.

11 The project categories for the nonprofit grant are
12 targeting DIYers in high density immigrant areas for
13 effective outreach. An example of a project that can be
14 funded through this is combining motor oil recycling
15 lessons with English as a second language classes.

16 Another is source reduction strategies; for
17 example, projects involving extended oil change intervals,
18 high efficiency oil filters, or synthetic oil use.

19 Oil filter and oil container collection is another
20 project category. This may include holding collection
21 events at autopart stores frequented by DIYers.

22 Also, training and support programs for local
23 jurisdictions to more effectively target, reach, and
24 improve new used oil certification collection centers,
25 CCCs, particularly in areas with environmental justice

1 issues where they don't have enough collection
2 opportunities. Oil filter collection is a key component
3 of categories A, C, and D in particular.

4 And now the research, testing, and demonstration
5 grant, or R&D grant, which is the most broadly available
6 of the competitive used oil grants.

7 This is open to private businesses, state
8 agencies, and technically, it's also open to nonprofits
9 although it may not be as competitive. As with a
10 nonprofit grant, any project that meets the basic intent
11 of the grant is eligible for funding. And if the
12 applicant presents a compelling case for funding, it will
13 be very competitive for award whether or not the project
14 fits into a predefined category.

15 And the predefined category for this year are
16 pollution prevention strategies. This builds on several
17 projects DTSC has been involved in, in the past, including
18 green autoshop and high efficiency oil filters. Also,
19 identifying high motor oil used in small businesses is
20 currently underserved, and helping to develop model used
21 oil and filter recycling programs for these small
22 businesses. For example, landscape maintenance services
23 might be targeted for outreach and education collection
24 opportunities.

25 Performance standards for rerefined oil such as

1 meeting the new, higher specifications that will be
2 required of motor oil and coming in 2009; we're being very
3 proactive on this one.

4 Tools to identify DIYer locations and recruit new
5 collection centers. This category can take advantage of
6 some of the new software graphic information systems on
7 how to target those.

8 Scoring the grants. Both grant cycles will be
9 scored using the same general criteria, which is used for
10 all the Board competitive grants. Emphasis is given to
11 establishing and justifying need for the project, a cost
12 effective and well thought-out budget as well as clear
13 links to the existing block grant programs. There will be
14 a maximum of 100 points. A minimum of 75 percent or 75
15 points must be earned to qualify for funding.

16 No preference criteria points will be given for
17 this cycle. Instead, we will recommend funding the top
18 scoring applicant in each project category. After each
19 project category has been funded with a passing grant, the
20 remaining applicants will be funded by rank order, highest
21 to lowest, until we run out of money.

22 --o0o--

23 MR. GALLAGHER: If the grant process is approved
24 today, the grant applications will be available by late
25 December. This will give potential applicants nine weeks

1 to complete the application with four weeks of questions
2 and answers. The entire grant term for both cycles will
3 end September 2010.

4 Staff recommends that the Committee approve Option
5 No. 1, to approve the proposed scoring criteria and
6 evaluation process, and adopt Resolution No. 2006-219.

7 This concludes my presentation. If there's any
8 questions, staff would be happy to answer them at this
9 time.

10 CHAIRPERSON BROWN: Thank you, Glenn.

11 We have one person who would like to address the
12 Board -- Committee. So why don't we do that. And we'll
13 take questions.

14 Okay. John?

15 How did you know it was you, John?

16 MR. CUPPS: One person.

17 CHAIRPERSON BROWN: Thank you.

18 John Cupps, San Luis Obispo Integrated Waste
19 Management Authority.

20 MR. CUPPS: Good afternoon. Well, that is the
21 client. Good afternoon, Madam Chair, members of the
22 Committee. My name is John Cupps. I'm a consultant for
23 the San Luis Obispo Integrated Waste Management Authority.

24 I guess I'm a little surprised and somewhat
25 perplexed by this agenda item. I believe it was about a

1 year ago that staff first came forward to the Board and
2 made a presentation on -- I think it was described as sort
3 of this status or state of the oil fund; and basically, at
4 that time indicated that the revenues from the fund had
5 been relatively flat and there was at least some
6 possibility that the revenues would be insufficient to
7 fund competitive grant programs in coming years.

8 And that resulted in some discussion. And at one
9 point in those discussions, I believe, there was at least
10 a suggestion. I don't know that it ever rose to the level
11 of a normal staff recommendation to actually suspend for
12 the 2005/2006 budget year, the used oil opportunity
13 program grants.

14 Now, there were a couple of us who strenuously
15 objected to that. And the Committee and Board saw fit to
16 continue those programs.

17 Now, here, about a year later, we're going -- and
18 this is one -- I guess the first odd year, we're going
19 forward with these competitive grants. And I guess I'm a
20 little bit puzzled, if you will, by the numbers.

21 As I understand the statutes -- as your staff has
22 indicated, the statutes basically specify certain
23 percentages for each of those categories of grants. In
24 the case of the used oil opportunity grant program, the
25 statute specifies that at least 40 percent of the

1 remaining balances will be expended. Let me emphasize the
2 word "expended," on that program.

3 For the category of nonprofits, the statute says,
4 at least 10 percent of the remaining balances will be
5 expended" on that. And then for the research and
6 demonstration category, it states that it will be at least
7 10 percent but not to exceed 15 percent of those remaining
8 ambulances.

9 Now, last year, in 2005 and 2006, that 40 percent
10 resulted in \$1.6 million being made available for the used
11 oil opportunity grant programs. Now, in this agenda item,
12 staff is suggesting that a total of, as I understand it,
13 \$2.4 million is being made available for the -- for that
14 total of 20 percent.

15 So I guess I'm sort of puzzled as to how these
16 numbers quite add up, and would like some explanation of
17 that.

18 CHAIRPERSON BROWN: Okay. I think that is a
19 question for staff.

20 Mr. Lee?

21 DEPUTY DIRECTOR LEE: Last year, we presented some
22 information to the Board, you know, based on some of our
23 evaluations of ongoing revenue and expenditure trends
24 which predicted declining levels of revenue and increasing
25 levels of expenditure.

1 This year, the projections didn't materialize as
2 expected. The fund situation isn't as dire as predicted,
3 although staff does not project that the long-term trends
4 are anything other than what we represented to the Board
5 last year.

6 Basically we had an "uptick" on revenues this
7 year, and we didn't spend as much as we expected to last
8 year, mainly from the Category 5, the statewide outreach
9 expenditures. So we had more money that rolled over this
10 year that was available for distribution through the
11 competitive grant process.

12 Now, last year, again, it was staff recommendation
13 that we not put out -- because of our projected fund
14 situation that we not put a competitive grant on the
15 street. You know, based on stakeholder -- stakeholder
16 input, we went back and reevaluated that. And the Board
17 decided again to put the minimum amount on the street for
18 that particular grant program.

19 However, since 2002, it has been the practice of
20 this Board based on a policy discussion to alternate the
21 funding for the three competitive grant programs: on the
22 nonprofit and the R&D in one year, and the opportunity in
23 the alternate year.

24 Last year, we did the opportunity grant and we
25 basically used what we felt was the prudent amount; that

1 we basically asked the Board to recommend what we
2 considered to be the prudent minimum amount for that
3 particular grant program.

4 This year, with the R&D and nonprofit, and given
5 the better condition at least for the fund condition this
6 year, we are opting to go back to the -- to the --
7 basically the distribution of funds, the way that we have
8 been since 2002.

9 And basically, we want to distribute 60 percent
10 deposit available revenues for these two grant programs,
11 split, based on our interpretation of statute, half and
12 half.

13 So I guess the direct response to the concern that
14 Mr. Cupps is raising is, I think I believe what we are
15 recommending to the Board is consistent with precedent
16 we've established in previous years; and is -- like last
17 year, represents staff's proposal to put revenue to make
18 funds available, you know, for the stakeholders, for this
19 competitive grant program.

20 CHAIRPERSON BROWN: One question I have: Does
21 that mean that in your evaluation of the fund, the health
22 of the fund, that you could potentially have the same
23 amount of money available for opportunity grants next
24 year?

25 I think the concern is that you're -- that the

1 opportunity grants, if I can maybe recharacterize your
2 question, that the opportunity grants only receive
3 1.6 million, and they are supposed to have a greater
4 percentage; and this year we're funding these competitive
5 grants. And opportunity grants didn't enjoy the same
6 boost in their funding opportunities.

7 MR. CUPPS: Precisely.

8 CHAIRPERSON BROWN: So if you are evaluating the
9 fund, will they enjoy the same opportunity next year in
10 your -- as you anticipate in looking at crystal ball?
11 Because it is a crystal ball.

12 DEPUTY DIRECTOR LEE: There is a great deal of
13 that with it. As I said, the used oil fund is one that's
14 continuously appropriated. Basically, if we don't spend
15 something this year, there's potential for rolling that
16 over to next year.

17 CHAIRPERSON BROWN: You just answered my next
18 question. You are so clairvoyant, I guess, is the right
19 word.

20 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

21 But, you know, the bottom line depends, again, on
22 how much we spend. If we get -- if our revenues, if we
23 enjoy the same bump-up next year that we got this year,
24 then theoretically there will be more fund to distribute.
25 But you can be -- the Board and the stakeholders can be

1 reassured that we will propose, you know, what, you know,
2 statutory prescription is. You know, subject to the
3 policy discussions that the Board had, back in 2002, for
4 how to alternate the competitive grant awards.

5 CHAIRPERSON BROWN: Do you have a follow-up
6 question?

7 MR. CUPPS: Yes, I do. I guess I would like some
8 clarification.

9 Jim, is what you are saying -- I mean, I don't
10 understand how the 1.2 meets the -- certainly the
11 15 percent maximum for -- for the research and
12 demonstration projects, unless what you are doing is
13 basically saying, since we're alternating grant cycles,
14 that we can actually spend up to 30 percent in that
15 category and need to spend a minimum of 20 percent in the
16 other category.

17 But if that's the case, again, going back to last
18 year and the used oil opportunity program, the minimum
19 level of expenditure should have been 80 percent of the
20 available funds, if that's the way you are approaching it.
21 And 80 percent of available funds in 2005 and 2006, I
22 believe, will be the available number -- the number was
23 roughly 4 million funds, that would have been
24 \$3.2 million.

25 So last year, you basically went with sort of a

1 one-year allocation. And this year, you're going with, in
2 effect, a two-year allocation, which is fine. That's
3 reasonable. But I think the approach should be consistent
4 between all three of these categories to -- at a minimum,
5 to be in compliance with that statutory framework.

6 DEPUTY DIRECTOR LEE: And again, I think your
7 comments were best made last year, which last year with
8 the anomaly to the way the Board had been dealing with the
9 issue over the last several years. What staff is
10 proposing today is basically a return to that normal
11 standard, if you will.

12 CHAIRPERSON BROWN: Okay. Any questions from
13 Board members at this time?

14 COMMITTEE MEMBER MULÉ: A question I have on your
15 proposed categories for the nonprofit grants. I mean, you
16 stated in your presentation that we're currently
17 experiencing the 7 percent recycling rate in oil filters.
18 It sounds like, to me, that's a top priority area for us
19 to focus on. So rather than have these four categories
20 where you talk about targeting DIYers in high density
21 immigrant areas about local used oil and filter recycling
22 collection opportunities, etc., etc., that you have listed
23 here, A through D, I think that really we should -- we
24 should place an emphasis and a priority on oil filter
25 recycling.

1 And so when the applications come in, that we
2 would score those -- that focus on oil filter recycling
3 and give those the highest priority.

4 And to be a little bit more specific, I would like
5 to see this further focused on building the infrastructure
6 to collect used oil filters.

7 So that's -- that's -- you know, it's a question
8 and comment. But again, if that's the problem out there,
9 then that's where these funds need to be targeted. You
10 know, it's pretty plain and simple to me; when you read
11 the item, it's laid out there. The problem is -- we've
12 done a great job with oil recycling. And I'm not saying
13 there's not more to do or there's not more in terms of
14 ongoing activities. But I think that our next challenge
15 is the oil filter recycling. So rather than have -- try
16 to be all things to all people, let's get a little bit
17 more focused here, and let's focus on used oil filter
18 recycling.

19 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

20 CORNWALL: I wanted to comment in terms of, there are a
21 number of ways through a grant cycle to give priority and
22 emphasis and focus on topics. One is clearly the
23 categories, which sort of becomes a menu of things we're
24 looking for to build the gaps.

25 The key area in terms of the -- we've not -- we're

1 not doing any priority points. Usually we give 10 or 15
2 points to each of those top things, and we decided not to
3 do that because we wanted to get the best projects.

4 So when we look at the scoring of the grants,
5 that's where the focus on filters really comes through.
6 There's -- 25 percent of the points are for a need. And
7 when you define "need," you clearly give the lion's share
8 of the weight to filters. Because if you are looking at
9 the -- and that's in Attachment 2 as the scoring criteria.

10 So we talk about gaps, you know, demonstrate based
11 on data, etc. We can make it abundantly clear in the
12 outreach we do, in the ap itself, that the highest
13 priority is for projects related to filters. We still
14 think that you have to have the certified collection
15 centers located in the appropriate areas for those filters
16 to be collected.

17 And remember that we have the ongoing block grants
18 which have a large amount of money for infrastructure. So
19 all of those projects will be partnering with the block
20 grants that's part of -- in order to come in, they have to
21 identify those block grantees. Staff have been working
22 with the block grantees that are -- at their annual
23 program plans to increase infrastructure. We're working
24 closely with Krugen to do more events related to filters,
25 etc.

1 So I'm just offering that I think we can certainly
2 go the route of eliminating some of the categories. But I
3 do think we can -- there are other ways we can meet and
4 ensure that the filter really has the priority.

5 COMMITTEE MEMBER MULÉ: I guess where I'm coming
6 from -- because I used to respond to a lot of
7 solicitations for proposals. And I guess, I want to know,
8 as a potential grantee or an applicant, what are your
9 needs? What are your priorities? So I think the clearer
10 and the simpler the message that we send, this is our
11 priority area, this is our focus; it's oil filters. We
12 are not saying that these other things aren't important,
13 but for this grant cycle we really want to focus on oil
14 filter recycling.

15 And I think it -- it makes your jobs easier in
16 terms of scoring the applications and, you know, awarding
17 the grants.

18 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR
19 CORNWALL: So are you suggesting that filter projects
20 would be the only eligible projects?

21 Well, you said yourself that, you know, somebody
22 may say they want to expand their certified collection
23 center to accept oil filters. That would be a great
24 project. That's what we want; we want to build the
25 infrastructure.

1 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

2 CORNWALL: And I think somebody doing that project would
3 apply and score well.

4 COMMITTEE MEMBER MULÉ: Right. Right.

5 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

6 CORNWALL: So I guess -- I'm a little confused if you're
7 thinking that we should only -- limit eligibility to
8 filters. We can't, you know, limit. But if we just say
9 filters is the only category that we are interested in,
10 then you will fund the projects simply in rank order
11 related to...

12 COMMITTEE MEMBER MULÉ: Yeah. It's just that if
13 you have four categories, then you have to fund each of
14 those four categories; correct?

15 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

16 CORNWALL: We will fund passing project in each of
17 the four categories.

18 COMMITTEE MEMBER MULÉ: Right. That's what you
19 stated. So that's why I'm saying, let's -- let's create a
20 little bit more focus on what we want to accomplish.
21 Because everybody wins.

22 First of all, we're providing clear direction --
23 clearer direction to the applicants as to what we would
24 like to see. And we're helping to shape the outcome by,
25 you know, we're building the infrastructure. Number two,

1 we're going to see more success, you know. We'll be able
2 to measure our successes, you know, in subsequent years
3 because we can say, we focused on these two priority areas
4 instead of four.

5 And then we can -- and then we can say, we
6 received X amount of applications, we funded X amount of
7 projects. And we -- you know -- in following through with
8 those, here are the results that we got. Because as you
9 well know, we've had -- you and I and some of the other
10 Board members have had lengthy discussions on performance
11 measures, especially on used oil. So again, I'm just
12 trying to get us a little bit more focused.

13 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

14 CORNWALL: So would one --

15 DEPUTY DIRECTOR LEE: Ms. Mulé, I basically
16 interpret your comments as you would like to see criteria
17 established for used oil collection? And if we're
18 following the --

19 COMMITTEE MEMBER MULÉ: Well, now. Glenn said
20 you've got four categories. You're going to have to fund
21 projects in each of those four categories.

22 DEPUTY DIRECTOR LEE: That was the staff proposal.

23 COMMITTEE MEMBER MULÉ: And I'm saying, let's
24 reduce the number of categories so we create more focus,
25 so we're focusing more on oil filter recycling. Because

1 three of these four include oil filter recycling in some
2 way, shape, or form.

3 So why do we have it in four categories? Let's
4 just focus on oil filter recycling, and it includes the
5 items or some of the -- the scopes in these other
6 categories.

7 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

8 CORNWALL: Would you -- are you suggesting that we
9 eliminate three of the -- on the nonprofit, three of them
10 related to oil filters. And we're just looking at a
11 slightly different angle: The first one is doing the
12 education for the people who don't know that they are
13 supposed to recycle filters, the people that have the most
14 potential.

15 COMMITTEE MEMBER MULÉ: Here we go. I will help
16 you with that. I will try; I'm going to take a stab at
17 it.

18 You create a category that says, you know, project
19 categories: Used oil filter recycling programs that
20 include but are not limited to the following. And you
21 could say: Used oil and filter recycling education
22 activities, development of infrastructure; just something
23 to that effect.

24 DEPUTY DIRECTOR LEE: I appreciate where you are
25 going with this, Ms. Mulé.

1 COMMITTEE MEMBER MULÉ: If you have used oil
2 filter recycling --

3 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

4 CORNWALL: We are trying to look at the different aspects.
5 Just one category for the whole cycle?

6 COMMITTEE MEMBER MULÉ: Why don't you put it
7 together and --

8 DEPUTY DIRECTOR LEE: Ms. Mulé --

9 CHAIRPERSON BROWN: The focus -- I think what she
10 is looking for is a focus on oil filter collection.
11 Create one category that includes all these things so you
12 can fund all of the best projects, instead of having to
13 fund four separate categories and possibly leaving out a
14 really good project.

15 DEPUTY DIRECTOR LEE: I understand. We will take
16 another look at this and come back with the Board and take
17 a look at it and come back. We understand the directive.
18 And we will attempt -- used oil filters is the focus on
19 this particular cycle. And we'll attempt to combine some
20 of the categories that we have now, that encompass that,
21 in one criteria item.

22 CHAIRPERSON BROWN: I think it gives you greater
23 flexibility with the awarding of the grants to make more
24 of an impact on the 80-some-odd percent or 93 percent that
25 we have. It's an opportunity.

1 DEPUTY DIRECTOR LEE: I'm -- sorry.

2 CHAIRPERSON BROWN: We still do have more
3 questions on this item. And I will let Cheryl --

4 BOARD MEMBER PEACE: I was just curious. Under
5 the research, testing, demonstration, Item C, Category C,
6 it says the project that develops performance standards
7 for rerefined oil, I guess that rerefined oil was already
8 proven to be as good as virgin oil. So could you just
9 explain to me what the next generation of rerefined oils
10 mean?

11 DEPUTY DIRECTOR LEE: It's funny that you ask that
12 question, Ms. Peace.

13 In fact, I received a phone call earlier today
14 from a former Board member who's now in the private sector
15 and is involved in the waste business. And specifically
16 he was looking for -- wanted to purchase rerefined oil for
17 his fleet of garbage trucks. And the problem was that the
18 specifications from the engine manufacturers, you know, to
19 meet the new air quality standards has changed.

20 And he can't find a source of the rerefined oil
21 that meets these new standards. You know, what we're
22 planning to do as part of this item is to -- just to
23 continue to keep the rerefined oil consistent with these
24 ever increasing performance standards.

25 So, you know, that is part and parcel for, you

1 know, this particular item. So I thought that was just
2 kind of a real world example right now of the problem that
3 we're facing with that rerefined oil certification.

4 BOARD MEMBER PEACE: So the rerefined oil then is
5 different than virgin oil?

6 DEPUTY DIRECTOR LEE: It meets the similar
7 specifications, but the specifications keep changing; they
8 keep making them more restrictive for oil in general. And
9 so the rerefined oil has to be continually tested and
10 certified to keep up with these increasingly stringent
11 standards.

12 BOARD MEMBER PEACE: Okay. Thank you.

13 CHAIRPERSON BROWN: Gary?

14 COMMITTEE MEMBER PETERSEN: So are we talking
15 certification or standard? What are we doing?

16 MR. GALLAGHER: Glenn Gallagher.

17 We're talking about the next big standard in motor
18 oil, which will not actually be promulgated until 2009,
19 but the testing will begin in 2007, 2008. And these are
20 the GF standards. Right now, GF-4 is the quality standard
21 to meet if you want your motor oil to be competitive.
22 GF-5 will begin in 2009. And we would like to see
23 rerefined oil remain competitive with the virgin motor
24 oils.

25 COMMITTEE MEMBER PETERSEN: You bet. Okay.

1 CHAIRPERSON BROWN: So this is testing -- it's
2 testing.

3 MR. GALLAGHER: Yes, it's testing to meet the new
4 performance standards. It's -- the funding would go
5 towards meeting the testing protocol.

6 CHAIRPERSON BROWN: Okay.

7 COMMITTEE MEMBER PETERSEN: Who does all this
8 testing?

9 MR. GALLAGHER: It is done my ILSAC, which is the
10 International Lubricant Society, who work closely with
11 API, American Petroleum Institute. Which right now,
12 rerefined oil is certified to the API standards, which is
13 the standard of choice.

14 COMMITTEE MEMBER PETERSEN: Right. Okay.

15 MR. GALLAGHER: And we have paid for this, in the
16 past, through R&D grants. So there is some precedence to
17 keep rerefined oil competitive, in R&D.

18 CHAIRPERSON BROWN: Do you have some more
19 questions?

20 COMMITTEE MEMBER PETERSEN: Just one. On the --
21 okay. I'm in favor of the -- of waiving the geographical
22 split we're talking about. All right? But in the areas
23 like you just mentioned, Kragen, that they are doing more
24 community outreach, to have more of their facilities; in
25 the areas -- the populated areas where we're hurting for

1 that 20 percent that we're not getting, also the filters,
2 we're not restricting ourselves; we're going to take a
3 look at seeing some of those areas and start filling those
4 gaps, as you go through the process here?

5 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

6 CORNWALL: The geographic split is related to just total
7 dollars north or south. So it doesn't identify particular
8 regions. We will hope that given -- the higher need would
9 be given to services in areas that don't have -- that
10 don't have as many centers, have as many people, etc. So
11 I think that's going to meet what you are asking about.

12 COMMITTEE MEMBER PETERSEN: But have we done that
13 analysis?

14 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

15 CORNWALL: The way that we've conducted the analysis is to
16 look at the characterization of the demographics of those
17 immigrant populations and those based on survey data, who
18 aren't as likely to be currently recycling their oil.

19 So that was one of the project ideas, is to get
20 the tools together to actually do the geographic
21 information, mapping to see exactly where that is. You
22 take the model, then you look at the demographic data, and
23 pinpoint exactly where those underserved communities are.

24 COMMITTEE MEMBER PETERSEN: Okay. Great.

25 CHAIRPERSON BROWN: Are those all your questions?

1 COMMITTEE MEMBER PETERSEN: That's it.

2 CHAIRPERSON BROWN: One other question. And we
3 sort of touched on this: The determination for 200,000
4 and 250 for regional projects, given that we're focusing
5 on oil filters and we're trying to do some API standards
6 testing, is it prudent to limit the applicant to a certain
7 amount of money? What if these projects or programs take
8 more money to implement, to make an impact? I'm don't --
9 I'm curious where that figure came from.

10 DEPUTY DIRECTOR LEE: There's -- I think the
11 amount that the Board chooses to award per grantee is at
12 the Board's discretion. Typically, we find, you know,
13 throughout our grant programs -- tire program, used oil
14 program, household hazardous waste program, typically our
15 grants are in the 200 to 300 thousand dollar range.

16 Typically, the Board has not wanted, and staff has
17 not recommended, investing too many eggs in one basket.
18 You know, basically we have found -- our experience the
19 last several years is, it's grants in this particular
20 range, if you will, are sufficient, you know, to
21 accomplish the objectives that are put forth for them.

22 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR
23 CORNWALL: Let me just add that based on the data for the
24 last three cycles, the range in the last cycle was the
25 grants were 87,000 to 194, and this was when the cap was

1 300, with the median grant being funded at 160,000. The
2 cycle before, the median was about 190, and the cycle
3 before, 180.

4 So that's with people coming in with projects when
5 there actually was a high threshold probable. This is the
6 sort of level funding people are seeking to do effective
7 projects.

8 CHAIRPERSON BROWN: Well, you've actually just
9 opened a can of worms. Because then why did you limit it?
10 If you have people coming in where you think they
11 appropriately should be, why are we ratcheting down the
12 grant amount and limiting programs that may or may not
13 come in, in the \$300,000 range?

14 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

15 CORNWALL: I just --

16 CHAIRPERSON BROWN: I mean, you've just made the
17 argument for me that, why did you change it from 300 down,
18 if you are actually getting people in the range and they
19 are not putting in grants unnecessarily; they are putting
20 them in for specific programs. I would like to open the
21 criteria wider.

22 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR

23 CORNWALL: I mean, we can certainly do that. I will say
24 that when we look at performance data for the grants, what
25 we have seen is that the -- the first thing being that the

1 budgets are sometimes reduced. There's a lot of them that
2 initially come in at 299 or 199. And the budgets are
3 reduced during the scoring process for activities that
4 aren't as effective. So that does happen.

5 We also -- I don't think it's -- you could say
6 that the performance increases with the higher level of
7 the grant. What we often see is an added 50,000 isn't
8 giving you 50,000 worth of new program activities. Some
9 of the grants -- if there's money available, they will
10 spend it, even though it may not be in the most prudent
11 activities.

12 CHAIRPERSON BROWN: But that's what your review
13 process is for. And as of -- by your own -- you just said
14 that as they come in, you review their budgets for
15 appropriate activities or where the money can best be
16 spent.

17 I still think that, you know, it's -- I'm not
18 saying throwing more money makes a better program. But if
19 we are trying to make an impact and we're looking at R&D
20 and we're looking at these types of grants, I think that
21 we need to have broader criteria for opportunity for
22 people to come into the program, and do what you do, which
23 is to review their budget and review what they submit to
24 run the program. If we reduce it, we reduce it.

25 But you know, I don't want somebody to not apply

1 because we've ratcheted down the amount and it could be a
2 great project for bringing rerefined oil into the
3 marketplace, and it just happened to cost, you know,
4 350,000 or something.

5 DEPUTY DIRECTOR LEE: Madam Chair, which level
6 would you like to establish for the R&D applicants?

7 CHAIRPERSON BROWN: Well, I think it should be
8 across the Board. Because I think you do a fine and
9 admirable job of going through the applications when they
10 come in and discerning what is appropriate and isn't. You
11 know, I think we should go back to the previous levels
12 that we had, whether it's 300 or 350?

13 GRANTS AND CERTIFICATION SECTION 1 SUPERVISOR
14 CORNWALL: It was 300 and 200.

15 CHAIRPERSON BROWN: I think they should both be --
16 I think the higher the better.

17 It's my inclination -- and, you know, if we're
18 going to really make an impact, we got to get, you know,
19 funding in there. And I don't see spreading it out, you
20 know, to 20 different -- 25 or 30 different applicants is
21 going to make the same impact as if we find a couple of
22 really, really good projects that really make headway in
23 populated areas.

24 DEPUTY DIRECTOR LEE: We'll change the maximum
25 funding level to 300,000.

1 CHAIRPERSON BROWN: Okay. Thank you.

2 So I think -- have we made significant enough
3 changes that we feel we need to review -- revise this
4 slightly and bring it back to the Board?

5 DEPUTY DIRECTOR LEE: That's what I would like to
6 do, Madam Chair. We will change the nonprofit grant
7 criteria in the manner that we have discussed, and also
8 change the funding maximum levels and be able to discuss
9 it with you again on Thursday, at the Board meeting.

10 COMMITTEE MEMBER MULÉ: While we're at it, if I'm
11 looking at the R&D grants of the proposed project
12 categories. And once again, you know, I guess my tendency
13 is to just focus on fewer things, but focus.

14 So I don't know how the other Committee members
15 feel. But you know, I'm looking -- like I think, you
16 know, if we need to focus on performance standards for
17 testing for rerefined oil; let's focus on that. And one
18 other thing, you know, I look at, A, pollution prevention
19 strategies related to motor oil. I mean, that's so broad.
20 And I don't know -- again, I'm looking for focus so that
21 we can then go back a year, two years, four years later,
22 and say, here's what we've accomplished as a result of
23 focusing our dollars on these two areas.

24 DEPUTY DIRECTOR LEE: I understand, Ms. Mulé.
25 We'll propose some reduction in categories and refocus on

1 the R&D as well.

2 COMMITTEE MEMBER MULÉ: Thank you. Thank you.

3 CHAIRPERSON BROWN: Thank you, Jim, Bonnie, Glenn,
4 everybody. Appreciate that.

5 Any other questions on this item, before we move
6 to the next?

7 Next item is Committee Item E, Consideration of
8 Revision of the Eligibility Criteria.

9 You are up, Nate. You are next. You missed the
10 item where we pulled Item 6 and 7.

11 DEPUTY DIRECTOR LEE: Madam Chair, Item E, Board
12 Item 8 is Consideration of Revisions to the Eligibility
13 Criteria, Priority Categories, and Evaluation Process for
14 the Targeted Rubberized Asphalt Concrete Incentive Grant
15 Program.

16 Nate Gauff will make the staff presentation.

17 CHAIRPERSON BROWN: Hi, Nate.

18 MR. GAUFF: Good afternoon, Madam Chair, Committee
19 members, and other Board members.

20 I'm Nate Gauff with the Solid Waste Division.

21 Okay. Item E, which is Board Item 8, is for the
22 Consideration of Revisions to the Targeted Rubberized
23 Asphalt Program Criteria.

24 We're proposing a few, what I would say, fairly
25 minor changes that will hopefully lead to the expansion of

1 the applicant pool for this program. And then there's a
2 couple clean-up items within the -- within the criteria.
3 It was in the proposed changes.

4 Since we're out of order, I will take mine a
5 little out of order here. First thing I would like to
6 say -- first change that we're proposing is to exempt the
7 program from the north-south split. That was in the
8 original criteria.

9 To date, we've given out 20 grants to the northern
10 jurisdiction, 16 to the southern jurisdictions. Also to
11 date, we've funded every eligible applicant. And I think
12 for the foreseeable future, at least to the end of this
13 fiscal year, which is when the criteria basically is
14 applicable, we will also be able to fund just about every
15 applicant.

16 So I would like to -- I would like to go ahead and
17 waive that provision from the criteria. That's the first
18 change.

19 Second change, which is more of a clean-up item,
20 is the removal of the dates. When we did the original
21 criteria we put -- we put dates in to establish the
22 periods for -- for determining the priority categorization
23 at the three-, five-, seven-, and ten-year window with the
24 idea that the original criteria would have been applicable
25 for the first deadline, which was projected to be

1 January 1st of '06.

2 The reason we want to remove the dates is because
3 now we're almost to '07, those dates are no longer
4 applicable. And what we would like to do is establish the
5 three-, five-, seven-, and ten-year window based on the
6 receipt of the application.

7 So for example, if we got an application on
8 February of '07 and the applicant's applicable category
9 was the third year -- they had the three-year window,
10 which is the lowest category -- then that would go back to
11 February of '04 and we would have to -- their last
12 previous project would have had to occur before February
13 of '04. So anyway, that's just a little clean-up item for
14 the criteria.

15 Let's see. The next proposed change is for
16 cooperative purchases. What we're proposing is that if
17 four or more jurisdictions come together in a cooperative
18 purchase of rubberized asphalt material, that they be
19 given a 10 percent increase above their maximum applicable
20 grant award.

21 Now, this was originally intended primarily to
22 encourage rural jurisdictions to participate in the
23 program but we didn't -- we didn't want to preclude
24 jurisdictions, say, in the southern area if they could get
25 together and do a cooperative purchase to receive the

1 commensurate benefit that the rural jurisdictions would
2 have received elsewhere in the state, or even in the
3 southern area.

4 The other reason why we're proposing this,
5 obviously there is a -- that is benefit to -- to
6 cooperative purchase of material. You get economy of
7 scale; you get a better price. But there are significant
8 issues around project scheduling, coordination amongst
9 jurisdictions, and that type of thing. So what we want to
10 do is try to offer them a little incentive, a little more
11 incentive, anyway, to -- to try to put this together.
12 Like I said, it's really geared mainly toward the rurals,
13 but we'll open it up to anybody if they "git 'er done."

14 And the last issue is actually the project timing
15 exemption. In the course of our work with the Ogilvy
16 folks and doing the outreach and promotion to local
17 governments, of rubberized asphalt, we've come upon
18 several situations where jurisdictions have not, for
19 whatever reason, been aware, not applied, or other
20 situations. But they have not put in for funding or maybe
21 they even put in for Board funding for projects where they
22 would otherwise qualify for the targeted program.

23 For example, back in late September, we went to
24 talk to San Jose and we found out they were constructing a
25 RAC package next week. Well, obviously they weren't able

1 to get in for a grant; and they would otherwise now be
2 precluded from participating in the targeted program for
3 the next three years, because -- it is actually their
4 first project. So -- so we would potentially eliminate
5 them from ever getting consideration from the program,
6 depending if the program is run every three years.

7 We found out -- we just found out recently,
8 Sunnyvale is doing a project. I think they even
9 constructed last week and they've been constructing this
10 week. Same situation: first project. But didn't apply
11 for a grant, and we actually hadn't talked to Sunnyvale.

12 Davis is in this boat; City of National City;
13 we've talked to Woodland; City of Campbell we have not
14 talked to. But I know they are in this same situation
15 where they've -- they've done a project within, say, the
16 last three years. They would fall into that category
17 where they would be eligible under the three-year window
18 with three or fewer projects, and they did not apply for
19 Board funding.

20 Actually, in the case of Davis, they did apply for
21 Board funding, but the project wasn't big enough to
22 receive funding under the Kuehl program. So in a sense,
23 they did the project on their own.

24 So what I'm proposing, or what we're proposing,
25 here, in the criteria change, is that if jurisdictions

1 would otherwise qualify for the targeted program, but
2 because of this type of situation, where they have done a
3 project that would otherwise preclude them from
4 participations, we would allow them to -- to participate
5 in the targeted program. Once again, the targeted program
6 is only a one-time grant; nobody's going to get more than
7 one grant in the program.

8 And also, I was -- I was -- in the criteria, in
9 the proposed criteria, we're looking to apply this to
10 jurisdictions that have constructed projects after
11 July 1st of 2004.

12 Now, the reason that date is in there is because
13 we've had -- we've had three years of the Kuehl program,
14 which is basically fiscal years 03/04, 04/05, and 05/06.
15 The 03/04 grants have closed. So those jurisdictions are
16 basically not eligible.

17 But starting at the beginning of what would have
18 been fiscal year 04/05, which is July 1st, 2004, any
19 jurisdiction that -- that fell within basically the last
20 two and a half years, would be eligible to apply for the
21 targeted program.

22 I will leave it up to questions. Because I'm
23 running through my mind; I think I explained it. But if
24 you have questions, I would like to answer those.

25 CHAIRPERSON BROWN: It's not a question, but I

1 think this also would allow jurisdictions who are using
2 RAC without our assistance in application and oversight
3 and MacTech, to assist them with utilization of this
4 project to ensure that they have a good experience as
5 well, because we want to make sure that they like RAC and
6 they continue to use it. So we don't want them to apply
7 it without help or at least give them the opportunity for
8 the assistance.

9 MR. GAUFF: That would be one of the benefits for
10 like City of San Jose. We would still be able to give
11 them the training and the additional assistance to ensure
12 that -- you know, basically reinforce that they have had a
13 good experience. And if they haven't had a good
14 experience, to hopefully give them one, to have that
15 continue in the future.

16 CHAIRPERSON BROWN: Right. Thank you.

17 COMMITTEE MEMBER MULÉ: Just a quick question,
18 Nate. On the joint purchase, do you think 10 percent is
19 enough of differential?

20 MR. GAUFF: 10 percent -- I don't know if it's
21 enough. I think the reason I put 10 percent, it's really
22 just an incentive, an additional incentive.

23 Once again, they should be receiving a better
24 price per ton of the material, based on the cooperative
25 purchase. I felt that 10 percent would give them a little

1 extra incentive to go through the hurdles of trying to do
2 a cooperative purchase with other jurisdictions.

3 COMMITTEE MEMBER MULÉ: I'm just wondering if it's
4 enough. Just a thought. Give it a shot and see how it
5 goes.

6 MR. GAUFF: I don't want to get ahead of myself
7 because it's not really a part of this discussion.

8 But we have talked about possibly having a
9 specific rural focus program next year, similar to the
10 targeted, but just focused to rurals and we might be able
11 to explore that further.

12 COMMITTEE MEMBER MULÉ: Okay.

13 CHAIRPERSON BROWN: Thank you, Nate.

14 Any other questions?

15 Cheryl?

16 BOARD MEMBER PEACE: So when you are saying do
17 away with the north-south split, you are anticipating
18 being able to give more money to the north or being able
19 to give more money to the south?

20 MR. GAUFF: I anticipate being able to give money
21 to everybody who's eligible.

22 BOARD MEMBER PEACE: I'm just -- you know, I'm
23 having real trouble with this, because I don't want more
24 money going to the north before we get everybody targeted
25 in the south. We still have not gotten L.A., the City of

1 L.A., which has more than half the population of this
2 state. And it probably has more than half the roads of
3 this state. We still do not have them in our program.

4 And I would kind of like to see that we at least
5 get L.A. in our program before we do away with the
6 north-south split. It does say -- it does say "fewer
7 grants are requested and available" -- you know, money --
8 "that the maximum grant award may be waived on a
9 case-by-case basis."

10 And I'm just wondering if maybe we need to raise
11 that in order to really try to get L.A. on board. Maybe
12 \$150,000 for a project in L.A. is not enough to even
13 convince them to do it. Maybe we need to raise the grant
14 funding. Maybe, you know -- maybe it needs to be a
15 hundred thousand dollars per council district out there,
16 to really get them focused and get them convinced that
17 they need to try this.

18 CHAIRPERSON BROWN: With all due respect, I don't
19 think we can change the criteria to get L.A. in it. I
20 don't think we can give them 100,000 per council district.
21 Nice try.

22 BOARD MEMBER PEACE: I'm exaggerating. But it
23 does say, if fewer grants -- we have less money then -- if
24 we have more funds that are available for the south, it
25 does say in our things here, they are that we can award

1 more on a case-by-case basis. And I'm just thinking maybe
2 we need to consider that for L.A. to try to get them in
3 the program. So we're just going in there, saying, God,
4 we're going to give you, L.A., \$150,000. They're probably
5 saying, you know, that's not even worth it for me to talk
6 to you.

7 MR. GAUFF: Let me try to put my grip around that
8 whole issue. First of all, I think as far as the residual
9 monies left over, I think we're looking at the end of the
10 fiscal year, if there were monies available, that we could
11 maybe do some different things in the original criteria.
12 And we would still -- I think certainly, would have the
13 opportunity to do that. If we get to the end of this
14 fiscal year and there's significant -- significant amounts
15 of money available that, if we want to waive or set aside
16 the criteria at that point, that may be an option to the
17 Board. If they, you know, so choose.

18 So that's where -- I will leave that one alone.

19 As far as L.A., we are working with Ogilvy to set
20 up a meeting. We basically made the decision that we
21 would wait until after the elections died down, and now
22 we're into the holiday season. I anticipate it's going to
23 be sometime in January that we're going to actually sit
24 down and talk with the folks from L.A.

25 So that would be the process --

1 BOARD MEMBER PEACE: Do you think it would be more
2 of an incentive to offer them more than \$150,000? When
3 you look at their population, their population has paid
4 over half the money into this fund. And they only have so
5 many of the roads -- more roads than probably anybody else
6 in the state. And I think \$150,000 really isn't equitable
7 here.

8 MR. GAUFF: Well, you can talk to the people in
9 Fresno County, because they have a beef about how much
10 they are growing, too, about how much money they get
11 versus their population.

12 What I would say about L.A. is that any
13 jurisdiction obviously, would like more than 150,000.
14 Believe me. We sat down, we talked to Monterey Park last,
15 City of Monterey Park. And they wanted us to pay for the
16 whole project, not just the differential cost. I mean,
17 there's a lot of issues with a lot of different agencies
18 out there. And I think at this point we should approach
19 them just like we approach anybody else and offer them the
20 assistance, offer them the financial, you know, benefit of
21 the grant.

22 If we -- like I said, if we choose to do something
23 above and beyond, that's up to the Board's pleasure.

24 So I think the other thing about L.A., yes, I know
25 they have a lot of roads. I know it's a huge city, but

1 they have their own way of doing things. And their own
2 way of handling the road systems.

3 BOARD MEMBER PEACE: I think a little more money
4 than \$150,000 would get them to change their way of doing
5 things.

6 MR. GAUFF: Yeah, I don't think the Board has that
7 much money.

8 (Laughter.)

9 BOARD MEMBER PEACE: That's why I'm concerned
10 about changing --

11 MR. GAUFF: What I was going to say is that we've
12 had discussions -- they have their own system of the way
13 they approach their pavement management and their
14 construction. And we're just -- we're trying to get into
15 that system, so to speak. And I think this is the best
16 way to go about it at this time.

17 Obviously when we get -- actually sit down and
18 talk with them, we will get additional information. And
19 if we do, I can certainly bring that back to the Board for
20 further consideration at that time. But I think -- I
21 think one thing we're going to find, if we start changing
22 now, we're going to have a lot of problems. Because like
23 I said, I've noticed it. While I've been talking with
24 jurisdictions, there is a lot of need, statewide, even
25 though they are actually getting money now, because of

1 some of the federal issues that are going on. There's
2 actually money coming into the state and into the
3 jurisdictions to do construction. But there's still way
4 more need than there is funds.

5 So I think at this point we should --

6 BOARD MEMBER PEACE: You say there's way more need
7 than there is funds, so that's what concerns me: doing
8 away with the north-south split. I don't want to see more
9 of this funding going to the north than it is to the
10 south.

11 MR. GAUFF: Once again, as I stated in the item,
12 it's not a disproportionate occurrence. We're funding
13 everything that comes in that's eligible.

14 CHAIRPERSON BROWN: We have nearly \$4 million in
15 this fund that we have to grant.

16 BOARD MEMBER PEACE: If we have enough money to
17 fund everything, then we shouldn't have to worry about
18 doing a north-south split. We should keep it there. What
19 difference does it make? We want to make sure that the
20 south gets their fair share.

21 MR. GAUFF: Well, what happens in the case that we
22 have, say, three times as many applicants coming from the
23 north, and because of the funding reserve, we would
24 basically have to hold onto funds until some point in time
25 that we may not be able to fund those projects.

1 BOARD MEMBER PEACE: But are there more first-time
2 users in the north? Is that what you are saying?

3 MR. GAUFF: So far, there have been.

4 BOARD MEMBER PEACE: So everybody in the south has
5 already tried it?

6 MR. GAUFF: Not everybody. But the vast majority
7 of the jurisdictions that are using the material are in
8 the southern part of the state, basically in the L.A.
9 basin, south.

10 CHAIRPERSON BROWN: What you are asking for, Nate,
11 is maximum flexibility to get this \$4 million out the
12 door. And it is part of the five-year tire plan to get as
13 much RAC funds out as possible.

14 And if this -- if we don't open up the criteria,
15 and if the staff's determination is that we can fund
16 everybody that comes in the door, having a north-south
17 split on this grant is going to limit our ability to get
18 all these funds out the door. So they are requesting to
19 have the maximum flexibility to ensure that we can get
20 more grant dollars out the door and we don't end up with a
21 million dollars because we have the north-south split; and
22 we can't fund projects in the north because they are
23 actually doing their projects. We are working on L.A.,
24 but we, you know, we may not get L.A. until next fiscal
25 year.

1 So why are we going to limit ourselves just
2 because we haven't gotten L.A?

3 BOARD MEMBER PEACE: Have we had these discussions
4 with L.A.? I really would like to hear, maybe if we did
5 give them a little bit more money because it is so big and
6 they have so many roads --

7 CHAIRPERSON BROWN: But that's a whole different
8 discussion, with all due respect. We have to completely
9 change criteria and we --

10 BOARD MEMBER PEACE: L.A. is different than any
11 other place in the state.

12 CHAIRPERSON BROWN: I disagree. They are
13 different, but I don't know that we should treat any
14 jurisdiction any different than anyone else. The rurals
15 will come up and say, "Our budget is proportionately less
16 than Los Angeles. They have a greater budget, and they
17 can pave their own roads, and you should pave ours."
18 We're going to get that from every single person.

19 BOARD MEMBER PEACE: We've already given them, the
20 rural -- \$200,000 versus 150, for somebody like L.A, where
21 a rural gets -- they already get a big bump.

22 MR. GAUFF: The reason they get a bump up is
23 because they are paying more for the materials,
24 specifically more for the material -- significantly more
25 than some of the cities and county agencies in the L.A.

1 area.

2 Just for round numbers, the differential right now
3 is about \$30 a ton in L.A. And in some of the projects
4 that have been proposed here in northern California, the
5 differential has been as high as \$80 a ton.

6 BOARD MEMBER PEACE: We need to work on getting
7 more crumb rubber facilities going on in the north?

8 MR. GAUFF: It's based on -- transportation is
9 based on locations of producers and that type of thing.

10 And once again, that's why there's more users in
11 Southern California, so there's obviously more producers
12 down there right there. And at that point, when the
13 numbers start to change, if we get more in northern
14 California, and start to get some producers up here in the
15 northern part of the state, the price will come down. And
16 you know, we don't -- I don't think we'll be talking about
17 the same issue.

18 BOARD MEMBER PEACE: I just hope we try really
19 hard to get L.A. in the program. It might be hard. But
20 when we have a great majority of the roads here in the
21 state, we can just get them convinced to be in the
22 program, that would be a real boon for the crumb rubber
23 business.

24 CHAIRPERSON BROWN: Any other questions?

25 COMMITTEE MEMBER MULÉ: I would like to move

1 Resolution 2006-222.

2 CHAIRPERSON BROWN: Do I have a second?

3 COMMITTEE MEMBER PETERSEN: I would second that.

4 CHAIRPERSON BROWN: It's been moved by Member Mul
5 and seconded by Member Petersen.

6 Kristen, can you call the roll?

7 EXECUTIVE ASSISTANT GARNER: Mulé?

8 COMMITTEE MEMBER MULÉ: Aye.

9 EXECUTIVE ASSISTANT GARNER: Petersen?

10 COMMITTEE MEMBER PETERSEN: Aye.

11 EXECUTIVE ASSISTANT GARNER: Brown?

12 CHAIRPERSON BROWN: Aye.

13 And I believe we can put that on fiscal -- not
14 even on consent; not fiscal.

15 Okay. Next agenda item -- we have pulled Item F.

16 And so we will move to Committee Agenda Item G, Board Item
17 10.

18 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

19 Committee Item G, Board Item 10, is Final Status
20 Report for the Tracy Tire Fire Site.

21 For the better part of a decade, the Board has
22 been involved in clean-up and remediation activities of
23 the Tracy tire fire site, where a fire consumed more than
24 7 million tires, and in the process, engendered air, soil,
25 and groundwater contamination.

1 After having been chastised by the previous Board
2 chair, regarding what appeared to be a never ending
3 funding request for this effort --

4 CHAIRPERSON BROWN: I won't do that.

5 DEPUTY DIRECTOR LEE: I am very pleased to report
6 that this item does not contain within it a solicitation
7 for additional funds.

8 Indeed, this item is to acknowledge, reflect upon,
9 and indeed celebrate all that the Board has accomplished
10 in satisfactorily completing the clean-up of this
11 notorious site.

12 I will now ask Todd Thalhammer, the Board staff
13 manager on this clean-up project, and a person
14 instrumental to its success, to make the remainder of the
15 staff presentation.

16 CHAIRPERSON BROWN: Congratulations.

17 MR. THALHAMMER: Thank you, Jim. Thank you.

18 CHAIRPERSON BROWN: Now, for final, final for the
19 record, go for it.

20 MR. THALHAMMER: Good afternoon, Madam Chair,
21 Board Members, Committee.

22 Last year I was in front of you. I think I was
23 last year's Christmas turkey, maybe ham, one or the other.
24 Not quite sure which.

25 But we are not going to be the Christmas ham this

1 year. We'll be a little bit celebratory as we go through.

2 I will try to cover it, and we'll see if this
3 system works. I do push technology and occasionally it
4 does crash. So plan E, I have plan E. Again, as the last
5 year, I will do hand puppets if necessary.

6 (Thereupon an overhead presentation was
7 presented as follows.)

8 MR. THALHAMMER: We will cover the initial fire;
9 some of you have seen the video, but we're going to show
10 it one more time; the Integrated Waste Management Board's
11 fire response; the remediation; some quick statistics; and
12 I'm going to spend most of my time on lessons learned. I
13 think it was a good look back at where we have been and
14 what happened and how we can prevent things from occurring
15 the way they did.

16 --o0o--

17 MR. THALHAMMER: Some of you may or may not know,
18 but August 7, 1998, the Tracy, also known as the Royster,
19 tire fire ignited. The tire fire was originally predicted
20 to burn for days, then weeks. It turned out to be months,
21 then years.

22 Two years later, the Integrated Waste Management
23 Board approved \$400,000 to suppress the fire that was
24 burning for two and a half years. This is actually a
25 photograph of the fire that was still burning after two

1 and a half years.

2 The Integrated Waste Management Board, its
3 contractors, and the Tracy fire department, as I was
4 there, put out the fire in five days.

5 After that, the initial assessment was performed
6 by USEPA and kind of, basically negotiated an agreement
7 that if the Board would put out the fire, EPA would
8 conduct the assessment.

9 --o0o--

10 MR. THALHAMMER: Let's see if we can make
11 technology work.

12 (Thereupon, a video was presented.)

13 MR. THALHAMMER: As I said, that was my 15 seconds
14 of fame.

15 So let's just talk about the status, where we are.
16 The Tracy tire fire clean-up. We met our risk-based goals
17 from DTSC and the Water Board, for both the metals and the
18 oil. The groundwater results that we looked at, in
19 December, have diminished dramatically. I'll show you a
20 very quick set of slides on that.

21 --o0o--

22 MR. THALHAMMER: Interesting of note, in
23 September 21st of this year Tracy was sold at a tax
24 auction, for back taxes, for approximately \$69,000. That
25 was the only bid.

1 The Board will no longer be basically the
2 responsible agency, now that there are new owners. The
3 final report has been to DTSC in November. So we've
4 completed all our documentation, and we are awaiting a
5 final DTSC approval letter. We have received the draft.
6 We're just waiting for the final approval letter.

7 --o0o--

8 MR. THALHAMMER: Quickly, I will go through the
9 site conditions and other issues. When we first arrived
10 at Tracy, what we had was approximately 20 acres of
11 remnants of 7 million tires. Just to give you a quick
12 calculation, if you are generating two gallons of oil on a
13 theoretic basis with 7 million tires, you have an oil
14 spill bigger than Valdez. It happened that we had a
15 significant amount of oil generated.

16 --o0o--

17 MR. THALHAMMER: Also, as a note, just from the
18 last previous items, oil filters; we encountered somewhere
19 in the neighborhood of about a hundred thousand oil
20 filters at this property.

21 --o0o--

22 MR. THALHAMMER: This is just kind of a close-up
23 of the ash. I did some sampling just to give you an idea.
24 I did not use these dreg dyes. This is actual soil from
25 the samples. We have varying colors, varying conditions;

1 all sorts of types of metals and contaminants.

2 --o0o--

3 MR. THALHAMMER: As you can see on the photograph
4 on my left, my contractor put this on my construction
5 door, because I have completed my trifecta as
6 fireman-pirate-astronaut on this project.

7 I point out this particular slide here, on the
8 excavation. This was the area of excavation that we
9 initially estimated at 2 feet. Everywhere you see color
10 is up to 16 feet, down. This was actually ash and solid
11 oil.

12 --o0o--

13 MR. THALHAMMER: I'll talk a little bit more about
14 that in a few minutes.

15 The class two waste, this was the areas in yellow.
16 Oil was discovered at depths not anticipated and on the
17 slopes. The slope area, we'll show here in a minute.

18 --o0o--

19 MR. THALHAMMER: So after the hazardous waste was
20 removed, we had to assess the oil. As you can tell,
21 there's a bright orange circle. So the question is: How
22 do you get a bright orange circle on a slope that's
23 60 feet vertical?

24 Well, you try it from below on manlifts. And if
25 from below doesn't work, you go from above. We taught a

1 class with the operators and the laborers, and we taught
2 the safety rappel. And the laborers rappelled over the
3 side to take samples of oil to determine how impacted the
4 slope was.

5 --o0o--

6 MR. THALHAMMER: The top of the slope and they
7 rappelled from the top.

8 --o0o--

9 MR. THALHAMMER: Not only did they rappel from the
10 top and then we handed them down an auger pit with a
11 4-foot auger. Two men, tied off, rappelled over the side
12 of the slope and collected data for us.

13 --o0o--

14 MR. THALHAMMER: I used every trick in the book.

15 --o0o--

16 MR. THALHAMMER: At that particular point, we
17 continued on with the excavation of the oil. We excavated
18 to groundwater. And, yes, those are three rubber duckies.
19 My contractor does have quite the sense of humor,
20 especially when I show up with a camera.

21 (Thereupon, a video was presented.)

22 MR. THALHAMMER: Hopefully this video will work.
23 This is a quick video of the oil actually oozing out of
24 the site. That's -- that's pure product, as we brought
25 that to the Board last year.

1 --o0o--

2 MR. THALHAMMER: This just gives you a quick
3 conceptual path of how the oil got to where it was. But
4 we had tires stacked all the way to the top, where you saw
5 the gentleman rappelling over. There were tires stacked
6 all the way to here. As the tire fire burned, it
7 generated a significant amount of oil.

8 It was surmised and verified, 99 percent of the
9 time, that we had an 8-foot clay layer underneath the
10 tires.

11 --o0o--

12 MR. THALHAMMER: However, in the next few slides
13 you will see, this is an 8-foot clay layer --

14 --o0o--

15 MR. THALHAMMER: -- where the clay layer magically
16 disappeared from one foot down to zero. A geological
17 anomaly that just so happened to come bite me somewhere.
18 I don't want to talk about it.

19 So basically as the layer was being generated and
20 saturated through the soil, it was being held up by the
21 8-foot clay layer, but at this point it breeched through
22 and then contaminated the groundwater.

23 So let's talk about the slope removal and what it
24 took. This was an item that we approved last year in
25 December. This is just to give you a quick perspective of

1 what effort it took to get the slope off. We used scrape
2 excavators and dozers.

3 --o0o--

4 MR. THALHAMMER: This is a set of slides that were
5 taken. As you can tell, we started here and now we're
6 here. This is the process that we took, the slope bank,
7 back. And now you can tell that the equipment is no
8 longer visible, but we're still excavating.

9 --o0o--

10 MR. THALHAMMER: This is a shot now from subgrade.
11 You can't see where I was normally pictured. We're
12 actually moving down to groundwater.

13 --o0o--

14 MR. THALHAMMER: This was the area that was
15 impacted by the oil. We are able to get behind this area
16 that was impacted from the oil by cutting back the slope.

17 --o0o--

18 MR. THALHAMMER: This is a hundred percent pure
19 oil sitting on top of the groundwater. We were able to do
20 some realtime analysis, because we couldn't leave the
21 slope open for very long. But I was using what's called a
22 photoionizing protector. As my contractor would remove
23 the soil, I was able to dress up in our, quote, unquote,
24 Hazmat suits, and walk back behind him, and verify whether
25 there we had the oil removed out of the groundwater, or

1 whether there was still oil there. So this is realtime
2 analysis, as we were cleaning up the project.

3 --o0o--

4 MR. THALHAMMER: This will provide you with a
5 quick groundwater summary. This is November 2005, right
6 before I was the Christmas turkey.

7 As you can note, these are conceptuels. We don't
8 have all the data, but this is a conceptual of the
9 concentrations that we did have in November of 2005.

10 By June and July of 2006, you can notice that we
11 have now dropped in order of magnitude. The wells had
12 started to clean themselves up. We have added additional
13 wells.

14 And then the last sample that we just took, in
15 September, before the exchange, we have dropped from an
16 order of 50,000, down to 200, down to 150. Our clean-up
17 goal was a hundred. So we did not miss the clean-up goal
18 by much. We feel that long term, that this problem has
19 been eliminated by removing the oil that you saw on those
20 particular shots.

21 --o0o--

22 MR. THALHAMMER: Quickly, I will just go through a
23 waste summary. It's about 387,000 tons of ash, debris,
24 and soil. The rest of the numbers are there. We also
25 found some additional buried tires that did not burn,

1 magically. We found not only the tires, but we found lead
2 ingots. They had a lead recycling facility going. He had
3 buried his own trash. And we found an additional tire
4 fire that was previous to there.

5 So I know, people do walk around with widgets. I
6 seem to walk around with a widget that finds waste that's
7 buried.

8 To give you a perspective, 16,000 trucks
9 transported material. Just quick exposures, I can give
10 you more numbers if you would like, at sometime. But
11 Tracy tire fire was 17.6 million to remediate. Just to
12 give you a snapshot of the majority of the costs, it was
13 transportation and disposal for a total of somewhere
14 around 11.8 million, a little under 11.8 million, just to
15 transport disposal. That does mean costs loading it in
16 the trucks, removing it out of the ground.

17 --o0o--

18 MR. THALHAMMER: So here's a volume analogy.

19 --o0o--

20 MR. THALHAMMER: If we were to park trucks, these
21 types of trucks, downtown Sacramento, we would go from
22 downtown Sacramento to Oakland and back; not loading, just
23 parked on the freeways. That's how many truck trips we
24 took to remove the waste.

25 If I'm going too fast, just yell at me.

1 --o0o--

2 MR. THALHAMMER: Lessons learned; we'll look at
3 tire storage versus pyrolytic oil generation. I have an
4 aerial view. We'll look at pyrolytic oil flow. Dust
5 suppression platforms, something very unique that we came
6 up with in the field.

7 Something else that we came up with, scaffold
8 loading for trucks. It had not really been done in the
9 industry; we were kind of industry leaders. And we had a
10 number of agencies, including Coast Guard and USEPA, visit
11 our site for the scaffolding and the loading. And I will
12 show you a quick, little video of that. And then trip
13 scale and cooling stations.

14 These were all innovative approaches that we
15 looked at. We teamed up with a big contractor and good
16 health and safety consultant. And we've looked at your
17 exposures and risks and potential remediations for those.

18 --o0o--

19 MR. THALHAMMER: I bring this slide up. This was
20 the -- I want to say 98 percent complete before we
21 excavated the slope.

22 The reason I bring this particular slide up,
23 there's two very important issues on the slide, if my
24 mouse will work.

25 If you will notice, the dark blue areas and the

1 black areas here -- you have handouts of these as well --
2 this is excavation up to 45 feet below ground, both in
3 this area and in this area. We had tires stacked 60 feet
4 in this area. Here, we had tires along this entire ridge.

5 All this oil basically drained towards the very
6 low point that was here. It kind of gives you a
7 perspective when -- and again, the regulations do address
8 this. Before Tracy and these regulations, as tires were
9 stacked -- and this was chips and tires over 20 to
10 60 feet. You generate a significant quantity of oil based
11 on this. The significant amount of oil contaminates the
12 ground. So we ended up chasing quite a bit of oil
13 throughout the Tracy site.

14 And I will give you a quick perspective of this.

15 (Thereupon, a video was presented.)

16 MR. THALHAMMER: Some people ask, "What does
17 45 feet of cut look like?"

18 Well, I want to show you real quick.

19 This took us approximately four weeks to dig this
20 particular area out. So that's 45 feet. In some areas
21 with the groundwater, we went basically 55 to 60.

22 --o0o--

23 MR. THALHAMMER: Some of the engineering controls
24 that we used, fairly unique to this process, haven't seen
25 before. But we worked during the summer of 2004, 2005;

1 laborers wore full Hazmat gear, using dust suppressions.

2 What we did was, this is a chair -- out of a bass
3 catalog; yes, this was a fishing catalog -- which was
4 welded to a steel grate and was hooked up to a nozzle,
5 some fire technology that I know, and kept the laborer
6 basically out of hazardous material and the water and gave
7 him a seat for -- throughout the day.

8 So some of the things that just never have been
9 used. We were quite creative in trying to keep our
10 laborers and our crews, should we say, out of harm's way.

11 --o0o--

12 MR. THALHAMMER: Additionally, we'll look at some
13 engineering controls. Typically, we would load a truck on
14 most hazardous waste sites in this manner. One of the
15 things that we used and we implemented at this site,
16 because of the volume that we were generating, which is
17 called a trip scale. We had a secondary excavator and an
18 operator. There are costs associated with those.
19 However, each truck that left Tracy had exactly
20 80,000 pounds. So as the truck would pull up, we would
21 take a weight off the top scales and trim it off and move
22 it to the next scale.

23 --o0o--

24 MR. THALHAMMER: Some of the unique properties
25 that we used here, is that we used scaffolding, and we had

1 three laborers that would actually tarp the trucks
2 themselves, instead of the truck drivers.

3 If you allow your truck driver to tarp his truck,
4 it takes a very long time. And if you are running a
5 hundred to 150 trucks a day, you have a lot of logistical
6 issues and safety hazards with guys climbing in and out of
7 the trucks.

8 (Thereupon, a video was presented.)

9 MR. THALHAMMER: This particular process, we had
10 our laborers climb up the sides of the truck. The three
11 laborers would approximately tarp and "decon" a truck in
12 under a minute and a half. This is just a quick video of
13 that process. It's not a minute and a half. But kind of
14 gives you the perspective, as you can see the next truck
15 coming into this trip scale. This whole process was going
16 day in and day out. It's a very efficient process, a very
17 efficient use of resources.

18 And at that point the next truck could pull in.

19 --o0o--

20 MR. THALHAMMER: Some of the other unique
21 scenarios that we did, we established cooling centers.
22 During the summer we actually tarped -- believe it or not,
23 we actually tarped our loading area for the laborers to
24 keep from the sun as best we could. And then during
25 certain temperatures, we actually provided a cooling

1 station with a dehumidifier, water, and other stations, so
2 they could get out of the sun.

3 --o0o--

4 MR. THALHAMMER: Close calls? Thank God this was
5 not my project.

6 However, I do point this out, that this was
7 recently -- this was in the state of, I believe, Indiana
8 and Ohio, of an operator who did not load his piece of
9 equipment correctly, and took out half of an overpass.

10 We had one close call at Tracy, and we lost our
11 entire electrical system. It caught fire. But
12 fortunately for us, it was isolated to just that incident,
13 and no injuries on the site of significant issues.

14 --o0o--

15 MR. THALHAMMER: Oh, the Grinch and myself at
16 Christmas.

17 Let me be the first to wish you a merry Christmas
18 and a happy holidays.

19 With that said, this is the final site remediation
20 and the slope cut.

21 Any questions or comments?

22 COMMITTEE MEMBER PETERSEN: You should go into the
23 movie business, man.

24 (Applause.)

25 CHAIRPERSON BROWN: I think you covered it all.

1 MR. THALHAMMER: I tried to.

2 CHAIRPERSON BROWN: I think you probably have
3 another career. I'm not sure if you have been reassigned
4 yet or if you're going into the movie-making business.

5 EXECUTIVE DIRECTOR LEARY: We like the astronaut
6 idea.

7 MR. THALHAMMER: I like the pirate idea myself.
8 But that's just me.

9 Thank you.

10 BOARD MEMBER PEACE: I just want to say that this
11 was a huge and complex clean-up project. And I want to
12 thank Todd and his crew. It was an incredible job that
13 they did.

14 COMMITTEE MEMBER PETERSEN: Bravo.

15 CHAIRPERSON BROWN: Great job.

16 COMMITTEE MEMBER MULÉ: Great job.

17 And actually, I was telling Jim Lee, really, too
18 often, we -- we don't take a moment to celebrate our
19 successes. And you know, that's one of the things,
20 because we're all so busy with all of our projects. But I
21 really do think that we should have some kind -- I mean,
22 this is nice to hear all of this. But we really should
23 celebrate this success, not only here at the Board, but
24 share this, you know, with the Legislature and the
25 administration; and let them know, especially Senator

1 Escutia. We should share this with those kinds of folks,
2 because they are the ones that really helped us via the
3 passage of SB 876, that allowed us the funding to get this
4 project, this site remediated.

5 So I'm just going to throw it to you, Mark. And I
6 don't know, you and staff, if you could think of something
7 that we could do to -- I mean, this truly is an event to
8 celebrate. I mean, this is a long process.

9 And as Board Member Peace knows, Todd kept coming
10 back to us, you know, and Bob, and Jim, you know, for
11 additional funding. And, you know, some of us, you know,
12 had problems with the additional funding. But others
13 understood that, you know, because of the complexity of
14 the project, that, you know, you couldn't anticipate the
15 total funding that was needed. So you did a great job,
16 all of you: Jim, Bob, everybody.

17 I was out at the site a couple years ago, and when
18 it was probably what, 2 -- three quarters or 80 percent
19 remediated or whatever. But it was quite a sight to see.

20 So thank you all, for all of your hard work with
21 this. I appreciate it.

22 CHAIRPERSON BROWN: Great job.

23 BOARD MEMBER PEACE: It's nice that that property
24 was purchased. And we're off the hook, right, for any
25 further remediation.

1 Do you have any idea what kind of business would
2 buy the property?

3 COMMITTEE MEMBER PETERSEN: They're probably going
4 to use it for tires.

5 MR. THALHAMMER: The property was purchased for
6 \$69,000. We don't actually have the owner's name because
7 they have -- they have approximately six months to file
8 their change of deed, once they buy the restriction. I
9 called basically a few weeks ago, and they have not filed
10 that exchange as far as who actually owns it. They bought
11 it at a discounted rate; that's for sure.

12 BOARD MEMBER PEACE: Right. Did you tell them we
13 didn't clean it up to, like, residential-type standards;
14 the only business that can really go on there is some sort
15 of a commercial.

16 MR. THALHAMMER: We ended up cleaning to a
17 residential standard. Yes, it did meet a residential
18 standard, which was the -- sometimes it happens, sometimes
19 it doesn't. But there is still groundwater issues. So
20 they won't be able to use that -- it isn't zoned hostel.
21 It's zoned industrial. So they would have to change the
22 zone before they can put residential there.

23 CHAIRPERSON BROWN: Were you -- Mark, you look
24 like you were about ready to --

25 EXECUTIVE DIRECTOR LEARY: I was going to accept

1 the task that Rosalie made in terms of finding a proper
2 way to celebrate.

3 I wanted to ask real quickly, I've kind of lost
4 track of the paperwork involved with Westley. Has that
5 been fully blessed and signed off? Or Bob -- Bob knows
6 better. Maybe that will be a double cause for celebration
7 or not.

8 REMEDIATION & ENGINEERING TECHNICAL SERVICES

9 SECTION SUPERVISOR FUJII: That might be timely.

10 Bob Fujii, Special Waste Division.

11 We're probably right in the last throes of getting
12 the final sign-off from the agencies on Westley as well.
13 So, you know, it's possible we could do an adjoining one.

14 EXECUTIVE DIRECTOR LEARY: I mean, it's not only
15 about those two, although certainly they're the most
16 principal. But we have, with the imminent end of the
17 threats at Sonoma, we have virtually remediated all the
18 large tire piles in the state, which is what 876 was
19 created to do. So I think we do have a message to share
20 with the Legislature as well as a cause for celebration
21 for ourselves.

22 CHAIRPERSON BROWN: And what an appropriate time,
23 with the new legislative session and new members, it's
24 just an opportunity waiting for us.

25 COMMITTEE MEMBER PETERSEN: So we're going to have

1 a party?

2 CHAIRPERSON BROWN: At least have a cake. We'll
3 have a cake with a astronaut, firefighter, and pirate on
4 it.

5 With that, if there's no new business, no other
6 celebrations, we will adjourn. And see you all on
7 Thursday.

8 Thank you.

9 (The California Integrated Waste Management
10 Board, Special Waste Committee Meeting,
11 adjourned at 3:50 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, KATHRYN S. KENYON, a Certified Shorthand Reporter
3 of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California Integrated Waste Management Board,
6 Special Waste Committee meeting was reported in shorthand
7 by me, Kathryn S. Kenyon, a Certified Shorthand Reporter
8 of the State of California, and thereafter transcribed
9 into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand this
14 15th day of December, 2006.

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23 KATHRYN S. KENYON, CSR

24 Certified Shorthand Reporter

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